

MARICOPA COUNTY
BUDGET
FY 2020





Executive Summary



Jack Sellers
District 1



Steve Chucri
District 2



Bill Gates
District 3
Chairman



Clint Hickman
District 4



Steve Gallardo
District 5

Board of Supervisors



Budget Guidelines and Priorities

Adopted by the Board of Supervisors on January 16, 2019

- Develop a sustainable budget that advances the County's mission and strategic goals
- Leave the property tax rate unchanged
- Direct Human Resources to develop a targeted employee compensation strategy
- Require all departments to allocate resources to fulfill their mandates and submit budgets within their baseline with no requests for new or expanded programs in the General and Detention funds
- Require selected departments to complete a zero-based budget
- Review new capital or technology requests after reserve decisions are made
- Evaluate all increases for their impact on the County's Expenditure Limitation



Assumptions

- Structural balance in operating funds
 - Recurring revenues meet or exceed recurring expenditures over the economic cycle
- *Most Likely* scenario for major revenue streams
- Contingency based on historical utilization and revenue risks
- General and Detention Fund reserve levels based on two-months of prior year operating budget



Zero-Based Budget

- Nine Departments submitted a Zero-Based Budget:
 - Assessor
 - Clerk of the Board
 - Emergency Management
 - Human Resources
 - Internal Audit
 - Procurement
 - Recorder
 - Sheriff's Office General and Special Revenue Funds
 - Treasurer



Major Budget Challenges

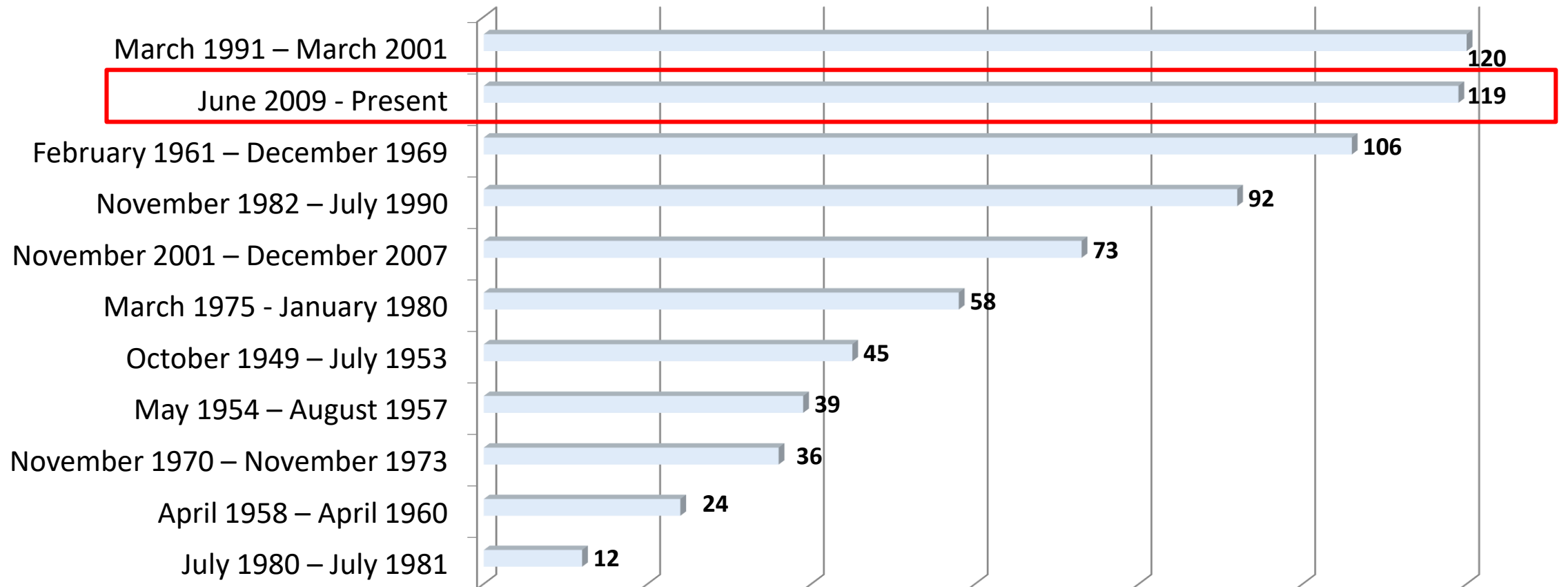
- Increased service demands that accompany an increase in population
- An aging economic cycle
- Limited Growth in Property Tax Assessment
- Detention Fund dependence on the General Fund
- Funding requests for criminal justice operating and CIP needs
- Structural balance in special revenue funds
- Low unemployment
- Pension rates and unfunded liabilities

MARICOPA COUNTY BUDGET FY 2020



U.S. Business Cycle Expansions

Source: National Bureau of Economic Research*



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BUDGET FY 2020



2018 Population Growth Rank By County

Source: U.S. Census Bureau*

Rank	County	Population	Net Chg.
1	Maricopa, AZ	4,410,824	81,244
2	Clark, NV	2,231,647	48,337
3	Harris, TX	4,698,619	34,460
4	Collin, TX	1,005,146	33,753
5	Riverside, CA	2,450,758	33,534
6	King, WA	2,233,163	28,934
7	Orange, FL	1,380,645	27,712
8	Tarrant, TX	2,084,931	27,463
9	Bexar, TX	1,986,049	27,208
10	Hillsborough, FL	1,436,888	26,773

MARICOPA COUNTY

BUDGET FY 2020



Maricopa County Population Growth

Source: U.S. Census Bureau*

Year	Estimate	Percent Chg.	Net Change	Rank
2018	4,410,824	1.9%	81,244	1
2017	4,329,580	1.7%	70,977	1
2016	4,258,603	2.0%	83,554	1
2015	4,175,049	1.9%	79,541	2
2014	4,095,508	1.9%	76,489	2
2013	4,019,019	1.8%	70,794	2
2012	3,948,225	1.9%	73,160	2
2011	3,875,065	1.3%	49,874	4

MARICOPA COUNTY

BUDGET FY 2020



Phoenix-Mesa-Scottsdale Employment Growth

(Ranking among all metro areas greater than 1,000,000)
Source: Arizona State University, U.S. Bureau of Labor Statistics **

Year	Rank	# MSA's
1993	2	19
1994	1	19
1995	1	20
1996	1	21
1997	2	22
1998	1	22
1999	2	23
2000	6	24
2001	6	25

Year	Rank	# MSA's
2002	5	24
2003	3	24
2004	2	24
2005	1	25
2006	1	26
2007	10	28
2008	24	28
2009	22	23
2010	22	22

Year	Rank	# MSA's
2011	13	24
2012	10	27
2013	7	28
2014	15	30
2015	11	31
2016	7	33
2017	4	33
2018	3	35
2019*	3	36



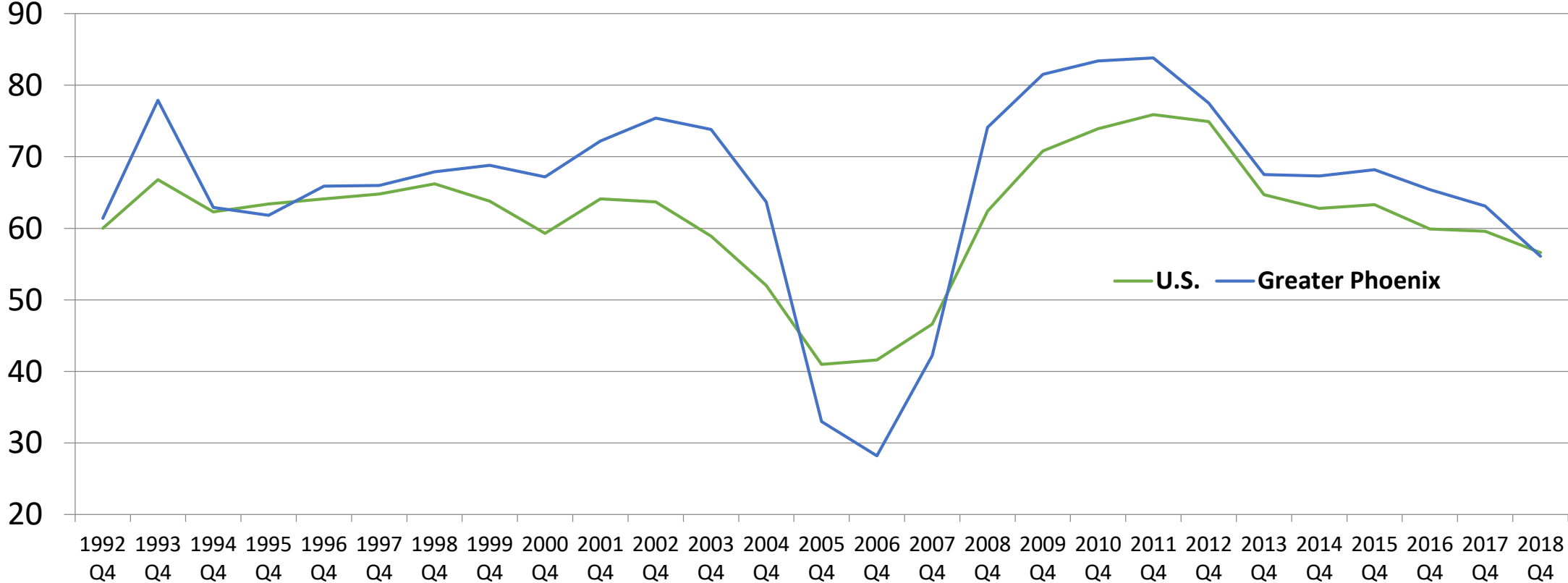
MARICOPA COUNTY

BUDGET FY 2020



Housing Opportunity Index 1992-2018

Source: NAHB/Wells Fargo



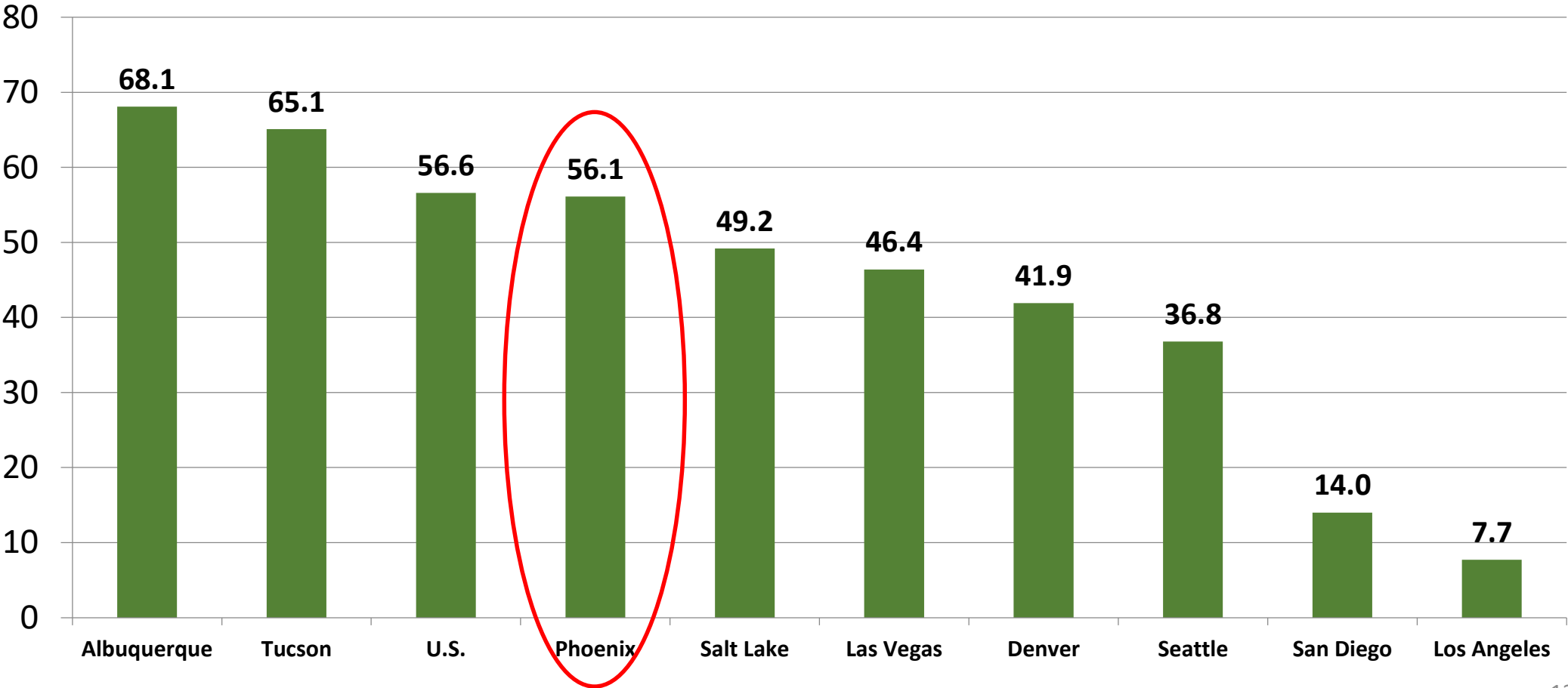
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BUDGET FY2020



Housing Opportunity Index 2018 Q4

Source: NAHB/Wells Fargo

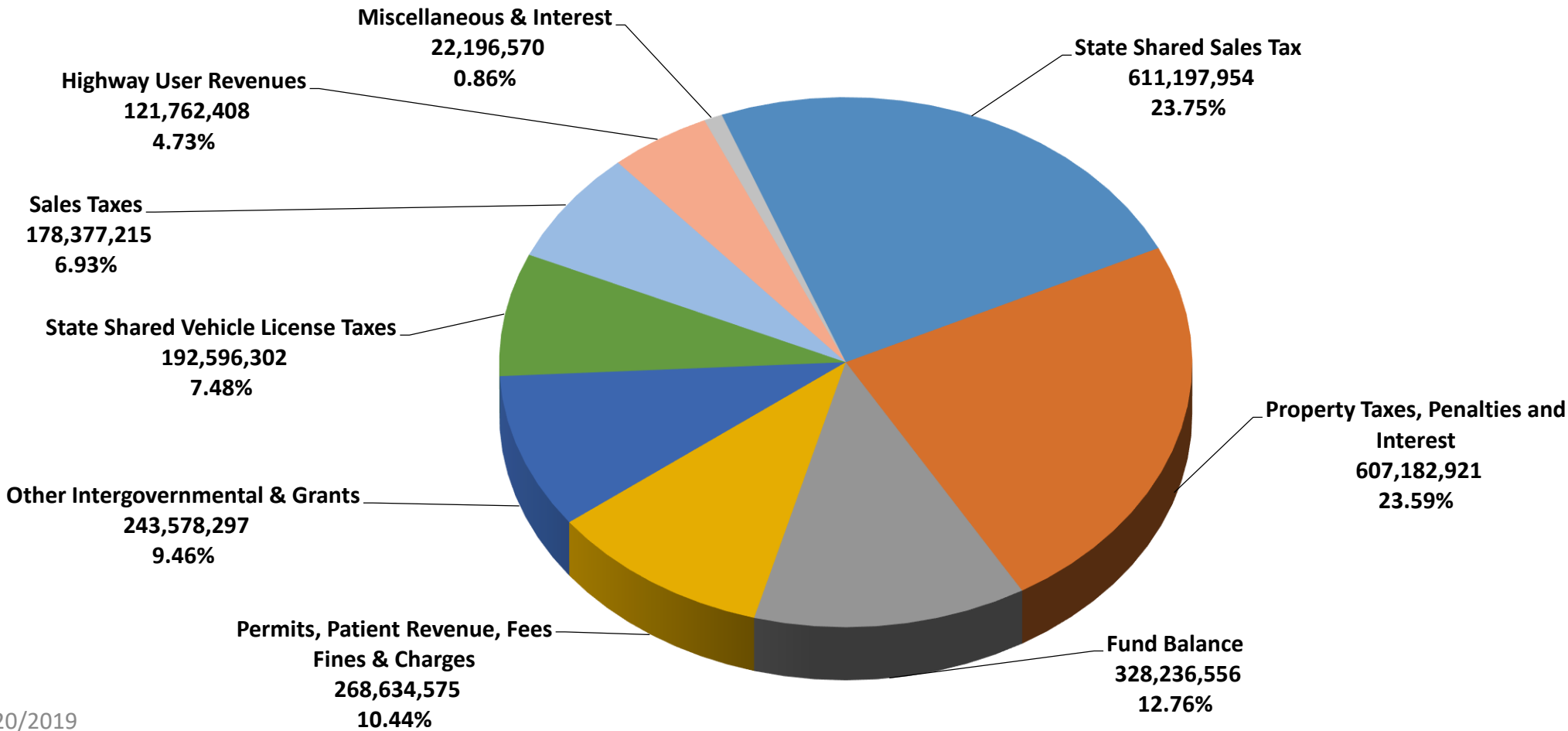


MARICOPA COUNTY

BUDGET FY 2020



Sources of Funds: \$2,573,762,798

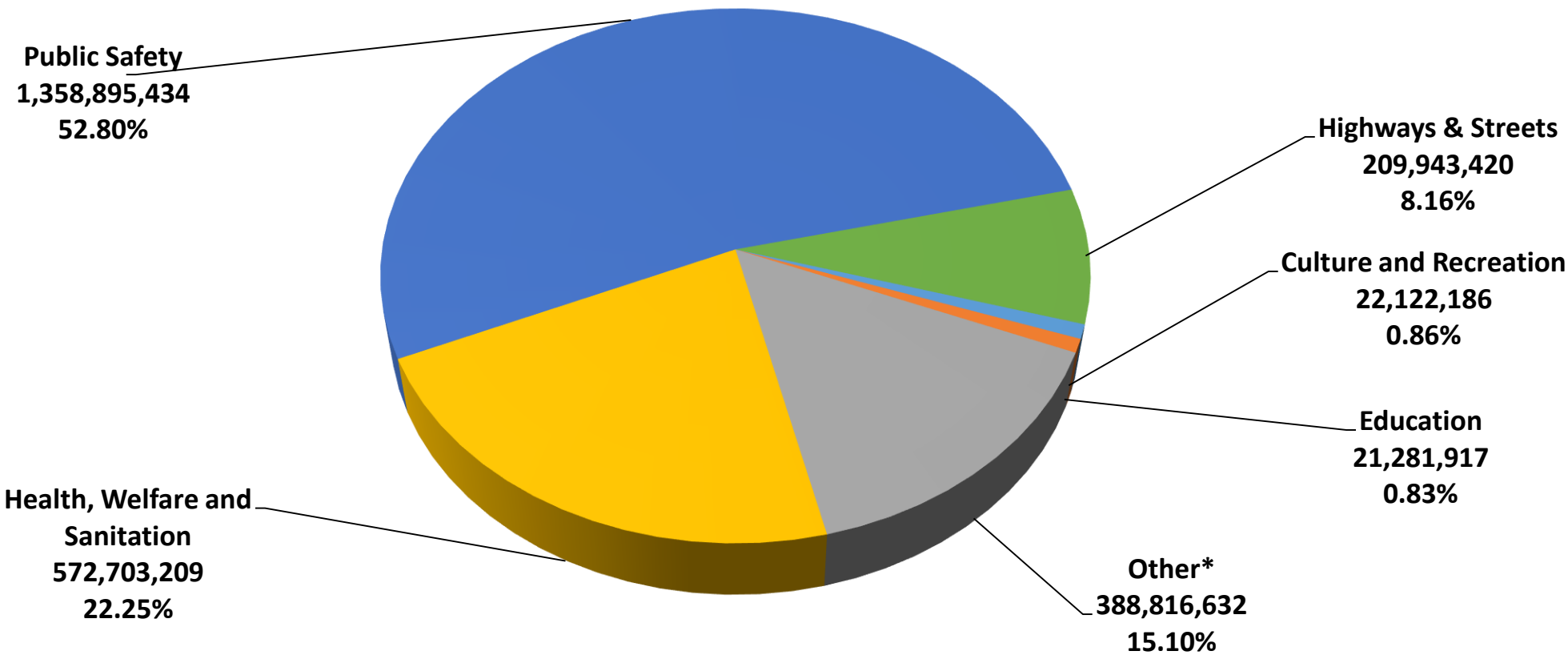


MARICOPA COUNTY

BUDGET FY 2020



Uses of Funds: \$2,573,762,798



**Other = Assessor, Recorder, Elections, Treasurer, Internal Audit, County Manager, Assistant and Deputy County Managers, Clerk of the Board, Board of Supervisors, Finance, Budget, Procurement, Human Resources, Risk Management, Real Estate, Equipment Services, Facilities Management, Enterprise Technology, Non Departmental*

MARICOPA COUNTY

BUDGET FY 2020



FY 2020 Net Variance to the FY 2019 Revised Budget (Millions)

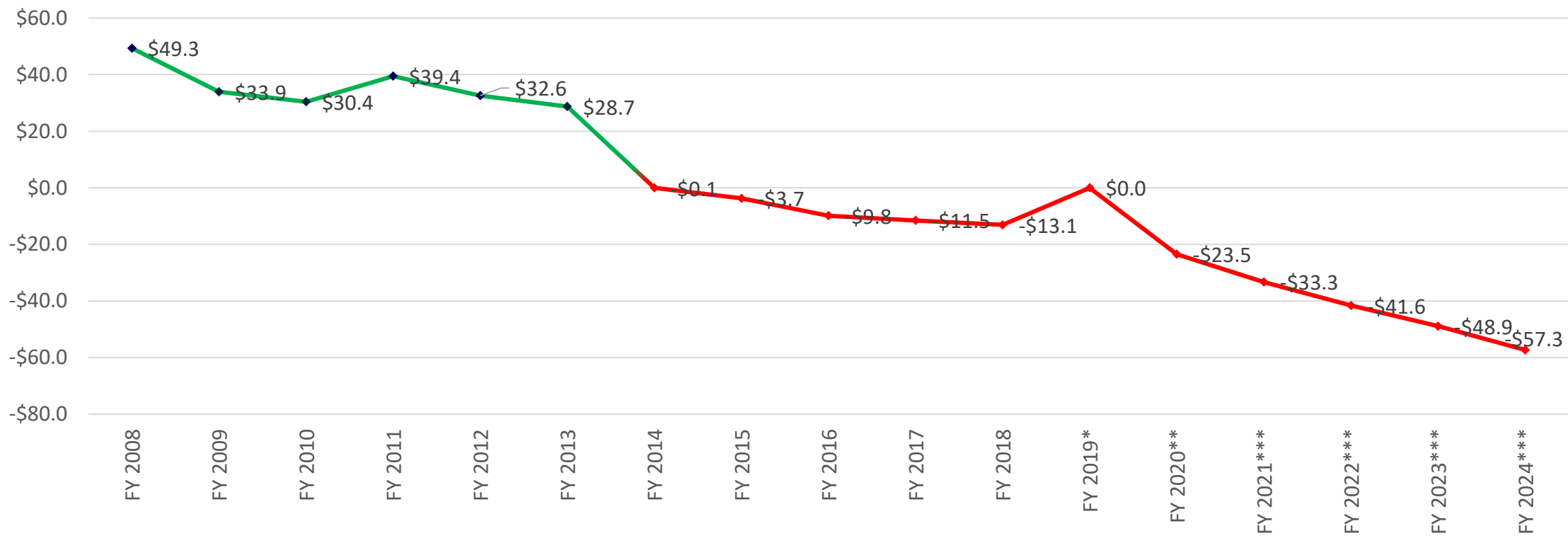
	FY 2019 Revised	FY 2020 Recommended	Increase/ (Decrease)	% Change
Total Operating	1,974.7	2,051.1	76.4	3.87%
Total Non Recurring	490.4	522.6	32.2	6.57%
Total County	2,465.1	2,573.7	108.6	4.41%

MARICOPA COUNTY

BUDGET FY 2020



Detention Fund Structural Balance without General Fund Subsidy

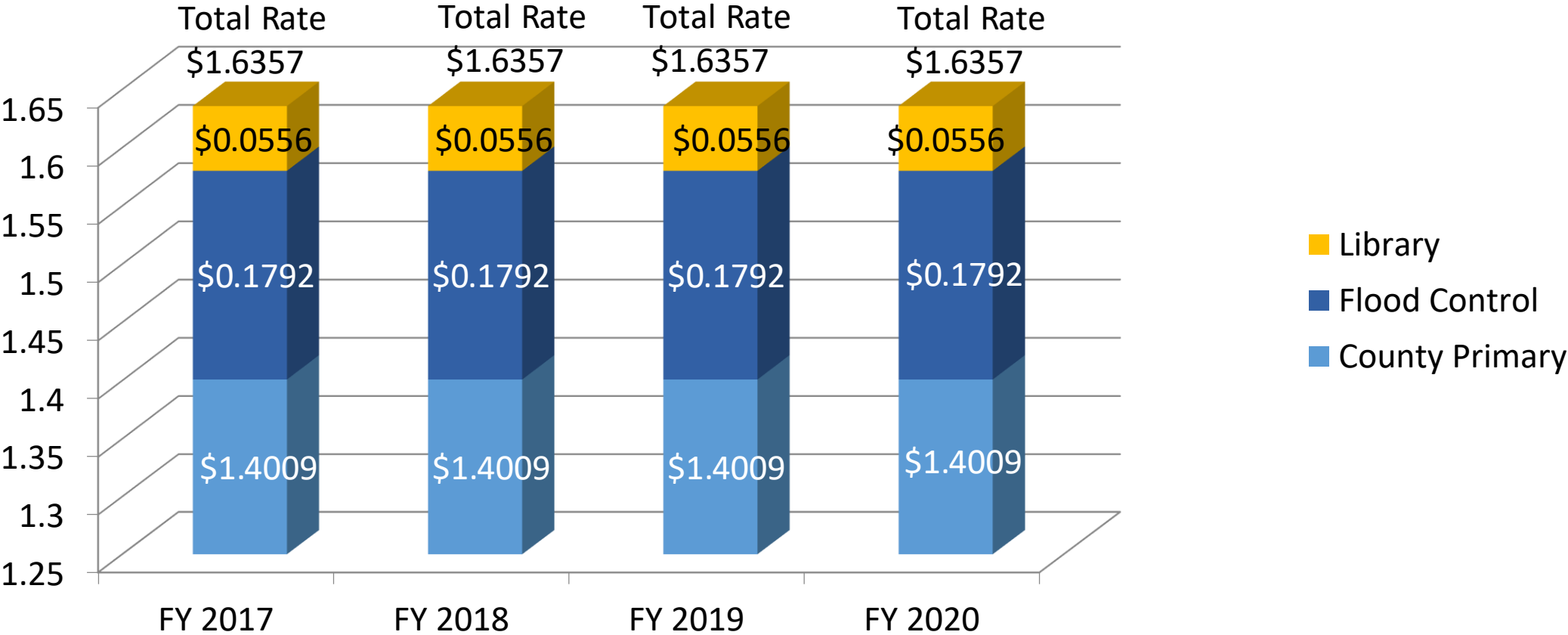


MARICOPA COUNTY

BUDGET FY 2020



No Change to Combined Tax Rate

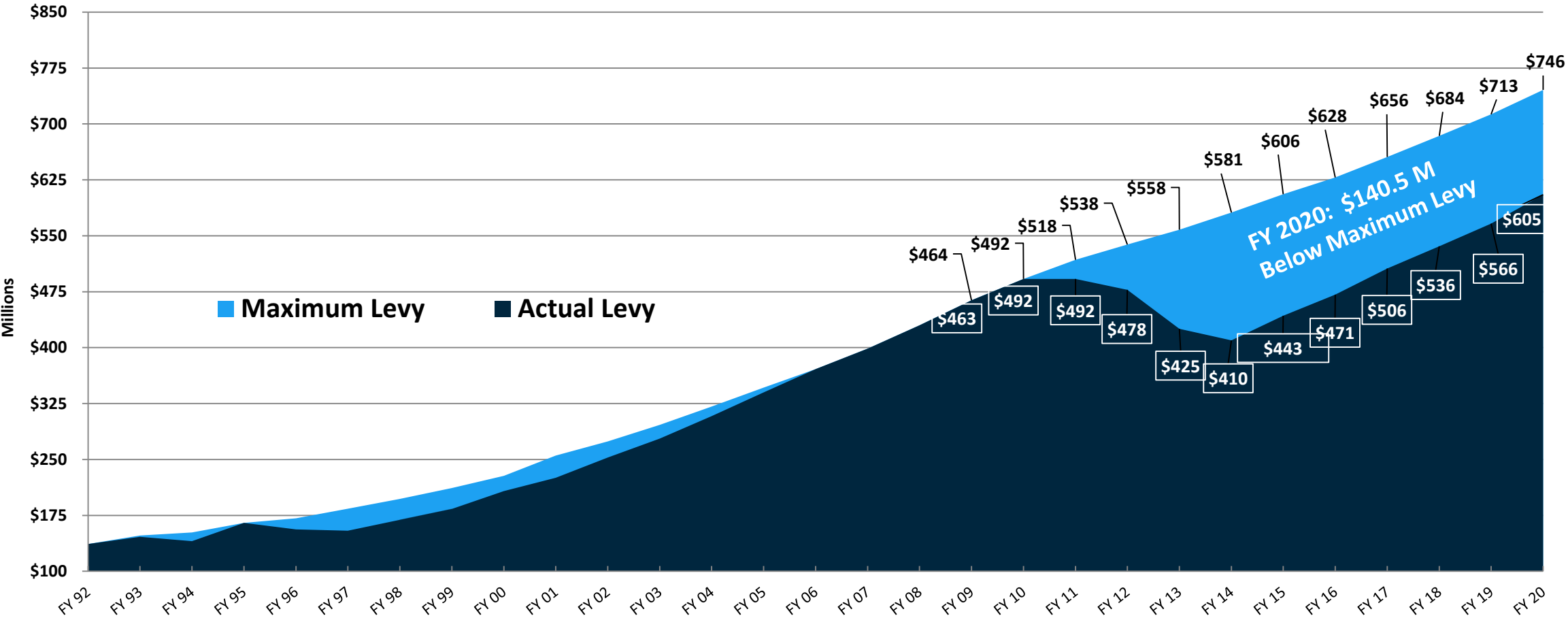


MARICOPA COUNTY

BUDGET FY 2020



Maximum Levy vs. Actual Levy - General Fund

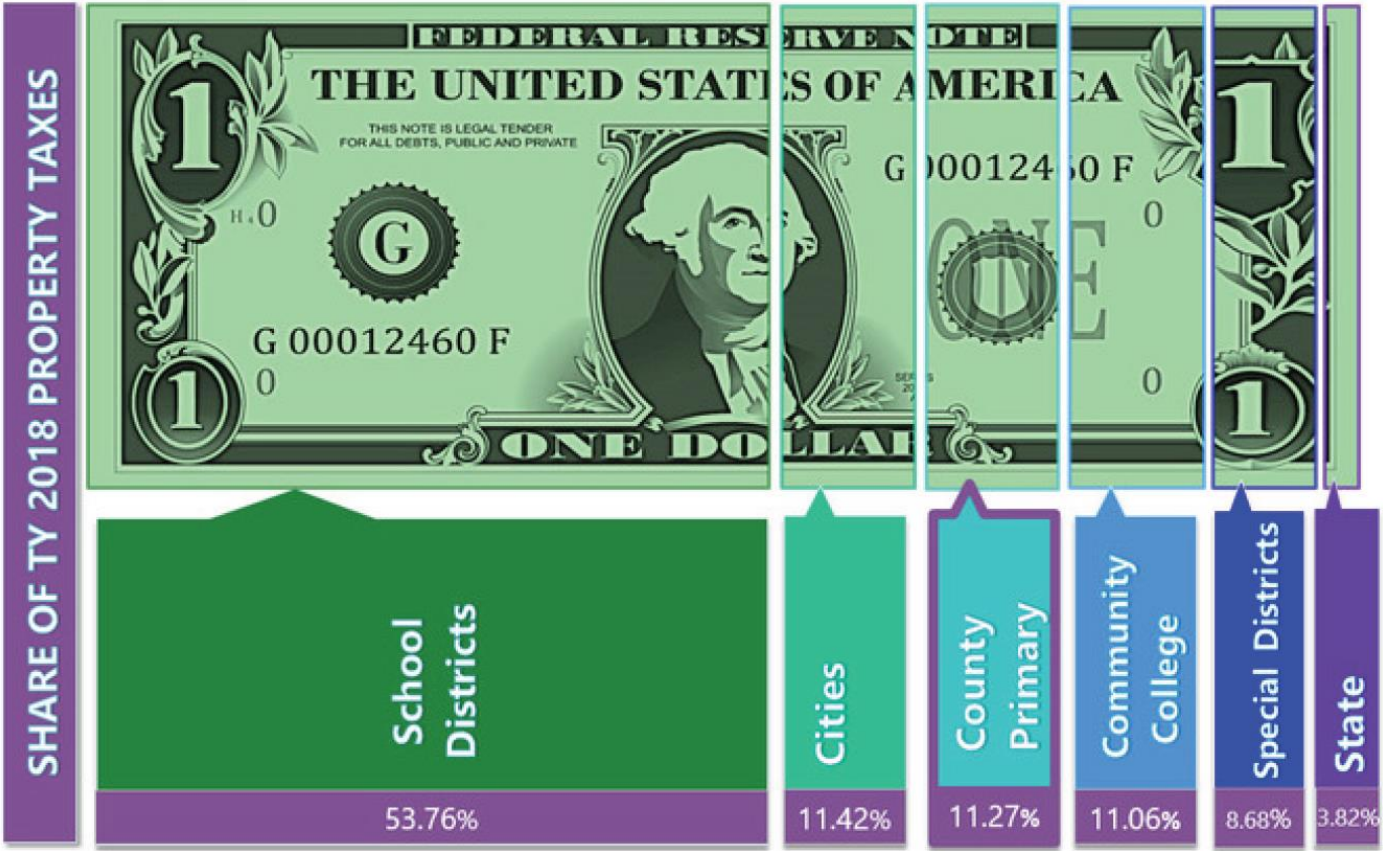


MARICOPA COUNTY

BUDGET FY 2020



In FY 2019, County Primary Property Taxes were only 11.27% of Total Property Taxes

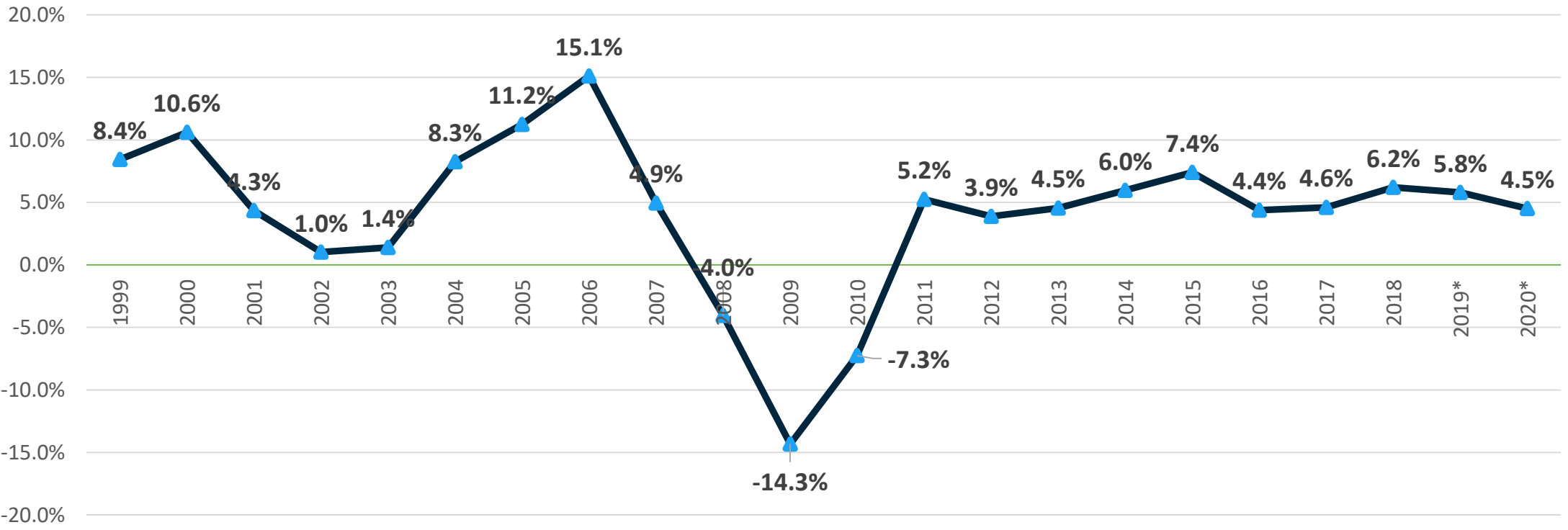


MARICOPA COUNTY

BUDGET FY 2020



State Shared Sales Tax

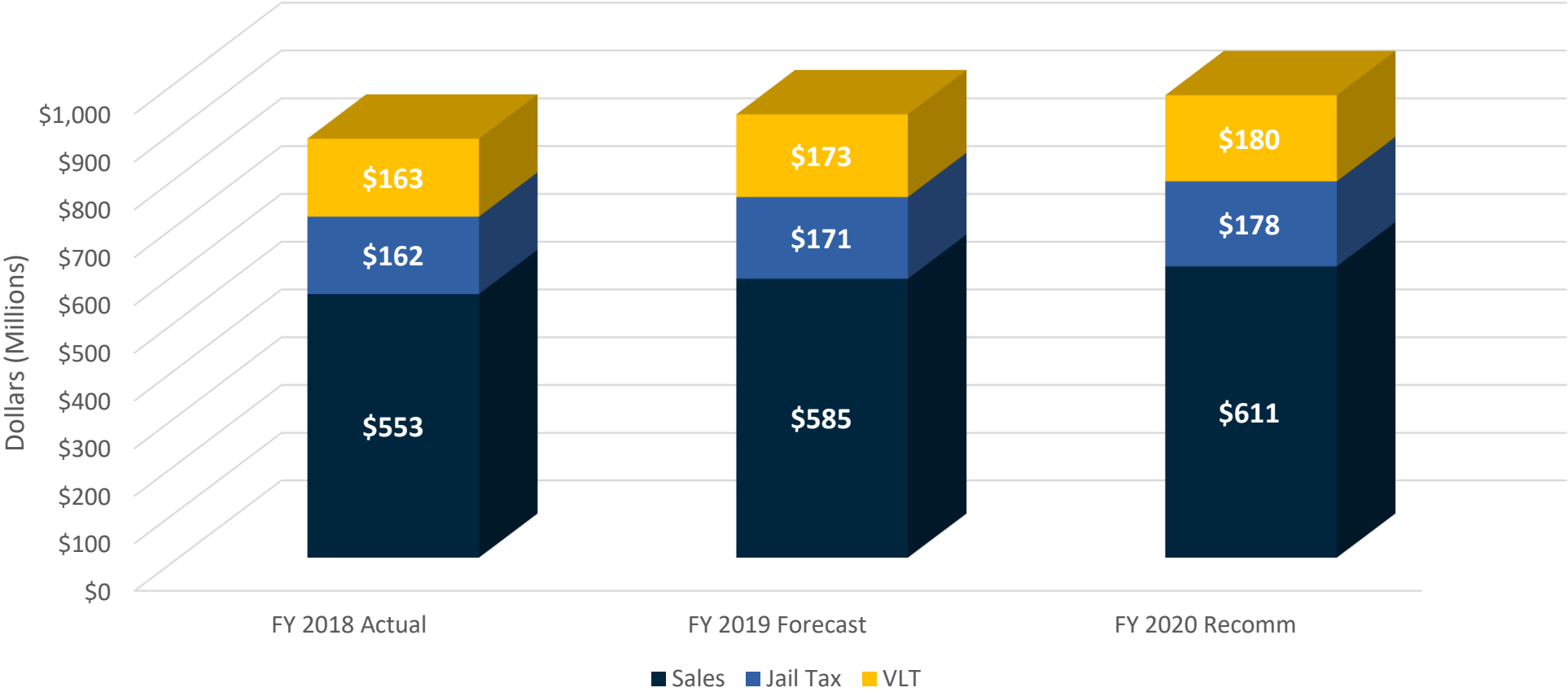


MARICOPA COUNTY

BUDGET FY 2020



Major Operating Revenues





Mandated State Payments

- 17.8% of the General Fund operating budget supports \$264.0M in mandated payments to the State for healthcare services including:
 - \$18.1M for Arizona Health Care Cost Containment System (AHCCCS) contribution
 - \$179.8M for Arizona Long Term Care System (ALTCS)
 - \$66.1M for Arnold v. Sarn and mental health services
- Additional State shifts of over \$9.8M equate to 0.7% of the General Fund operating budget:
 - Juvenile Corrections payment
 - Department of Revenue payment

for a combined total of 18.5% of General Fund operations



Potential Legislative and Other Impacts

- Reduced property taxes due to reduction in Net Assessed Value of Solar Panels
- Reduced state shared sales tax and jail excise tax due to exemption of data center equipment
- Increased postage cost due to requirements regarding property tax bill mailing
- Increased ALTCS contribution associated with increased provider payments
- Reduced General Fund and Special Revenue Fund revenue due to elimination of civil subpoena filing fee



General and Detention Fund County-wide Budget Impacts

- Net Departmental Retirement Increase \$ 1,337,505
- Telecommunications and Radio Charges \$ 1,454,099
- Net Risk Management Charges \$ 230,739



New Facility Contingencies

Maryvale

- Staffing and start-up costs
 - Superior Court \$541K +\$386K
 - County Attorney \$605K+\$119K
 - Public Defense Service \$652K +\$107K

ITR

- Court Security by Superior Court and Sheriff's Office Staff \$2.0M
- Sheriff's Office ITR detention staffing and other costs \$6.7M
- Facilities annualization of operational costs \$830K

225 W. Madison

- MCAO annualization of monitoring staff \$136K
- Superior Court annualization of security staff \$100K
- Facilities annualization of operational costs \$822K



Sheriff's Office

- The Detention Fund operating budget is recommended at \$217.1M and includes:
 - MCSO ITR Staffing of \$1.7M
 - Net Change to Personnel & Benefits excluding base retirement of (\$1.9M)
 - Net Change to Supplies & Services of \$160K
- One-time funding is recommended for:
 - New Intake Release Facility Items in the amount of \$1.2M
 - Other Non Recurring Items in the amount of \$2.0M



MARICOPA COUNTY

BUDGET FY 2020



Sheriff's Office

- The General Fund operating budget is recommended at \$125.8M and includes:
 - Expansion of Recruitment Campaign for \$125K
 - New Property and Evidence Custodians for \$122K
 - Aviation Training in the amount of \$157K
 - Reallocate RICO costs to the General Fund by \$726K
 - Reallocate funding to Compliance in the amount of (\$458K)
 - Net change to Personnel & Benefits excluding base retirement of (\$1.0M)
 - Net Change to Supplies & Services of \$61K
- One-time funding is recommended for:
 - Contingency for Helicopter Purchase of \$10.8M
 - Other New Non Recurring Items of \$1.4M





Melendres Judgment Order

- The MCSO General Fund Compliance operating budget is recommended at \$24.8M and includes reallocation from the operating budget of \$458K for:
 - Management Assistant Positions of \$133K
 - Investigator Positions of \$234K
 - Website Contract Management of \$11K
 - Net Change to Personnel & Benefits not including retirement of \$80K

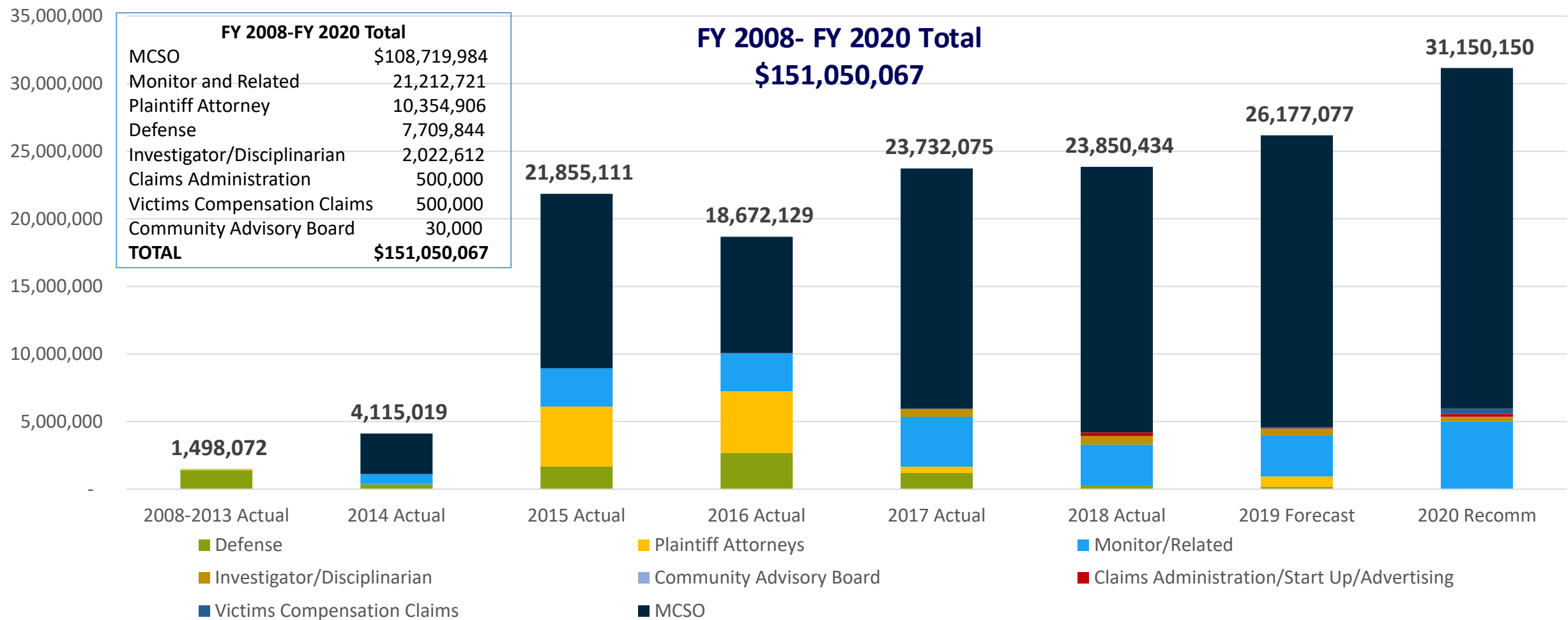


MARICOPA COUNTY

BUDGET FY 2020



Melendres Costs by Year





County Attorney

- The General Fund budget is recommended at \$98.6M and includes:
 - Investigator Retirement Adjustment of \$583K
 - New Attorney Positions at \$687K
 - Data Entry/Redaction Team Positions for \$506K
 - IT, Administrative and Detective Positions for \$622K
 - 225 W. Madison operating and move costs of \$194K
 - Shift of Special Revenue Fund expenditures of \$484K
 - Supplies and services increase of \$827K
 - Transcription and translation shift of \$339K





Public Defense System

- The General Fund Operating Budget is recommended at \$133.4M and includes:
 - Transcription and Translation Services reallocation of \$250K
- The General Fund Non Recurring PCR Budget includes Capital Post Conviction Relief Backlog of \$1.8M
- The General Fund Operating Contingency of \$3.4M for anticipated caseload growth plus \$618K in non recurring contingency





Adult Probation

- The General Fund operating budget is recommended at \$63.7M
 - This includes a net personnel budget adjustment of \$114K
- Contingency of \$812K in operating and \$27K in non recurring is available for additional staff and a vehicle pending the outcome of the consultant study and Board approval





Adult Probation

- The Detention Fund operating budget is recommended at \$39.2M
 - This includes a net personnel budget adjustment of \$444K
- Contingency of \$745K in operating and \$216K in non recurring is available for additional staff and vehicles pending the outcome of the consultant study and Board approval





Juvenile Probation

- The General Fund operating budget is recommended at \$20.3M
- The Detention Fund operating budget is recommended at \$37.3M, including these changes:
 - Overtime pay adjustment increase of \$262K
 - Net personnel adjustment of \$502K
- One-time Detention Fund budget is recommended for:
 - \$100K for Radio Replacement
 - \$1.5M Video Camera System Replacement



MARICOPA COUNTY

BUDGET FY 2020



Superior Court

- The General Fund operating budget is recommended at \$92.8M and includes the following adjustments:
 - \$114K for Civil Department Positions
 - \$114K for Skybridge Security Officers for 6 months
 - \$685K for IT Maintenance Agreements
 - \$70K for a Probate position
 - \$494K for a net adjustment to the personnel budget
 - \$510K for the transfer of positions from the Fill the Gap Fund
 - (\$535K) reduction to supplies and services
- The General Fund non recurring budget includes the following one-time items:
 - \$2.8M for technology improvements
 - \$95K for Skybridge Security Equipment
 - \$3.8M to refresh court recording system





Clerk of Superior Court

- The General Fund operating budget is recommended at \$36.4M
 - Fines & Forfeits Revenue increased by \$500K
- RFR system completed during FY 2019

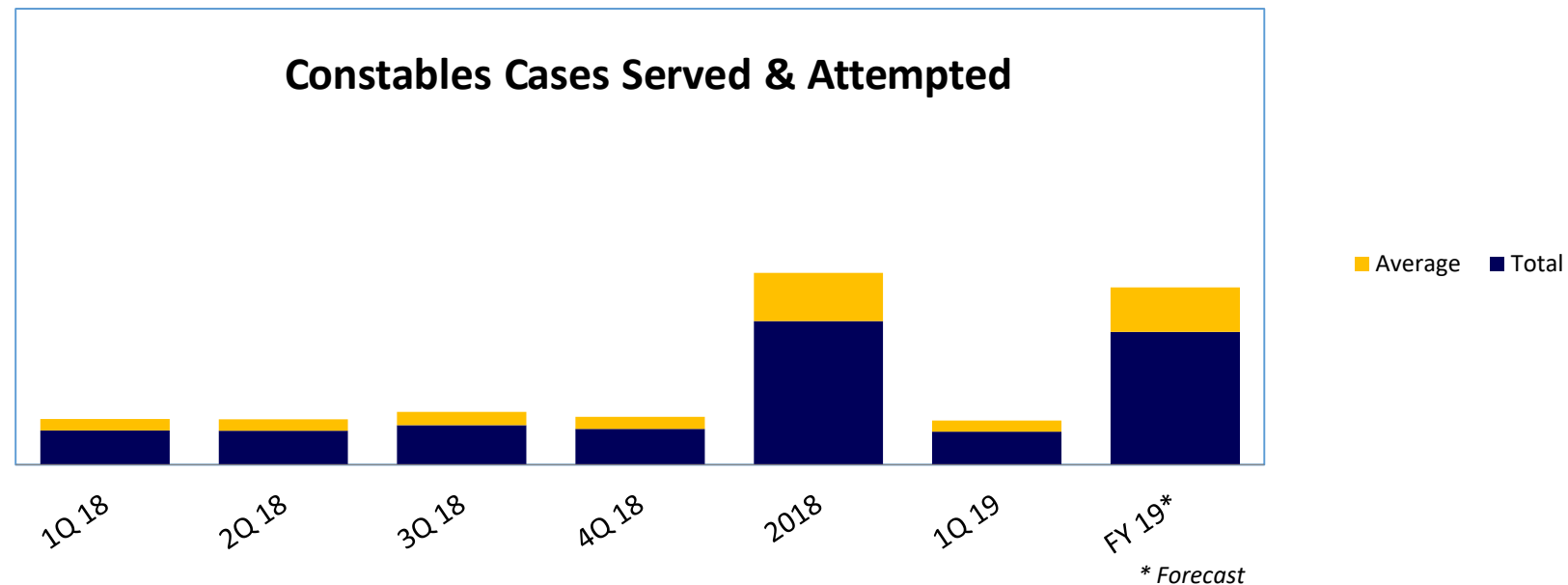


MARICOPA COUNTY BUDGET FY 2020



Constables

- The General Fund operating budget is recommended at \$3.8M
- Constables have reduced budgeted expenditures by \$155K due to salaries of newly elected Constables



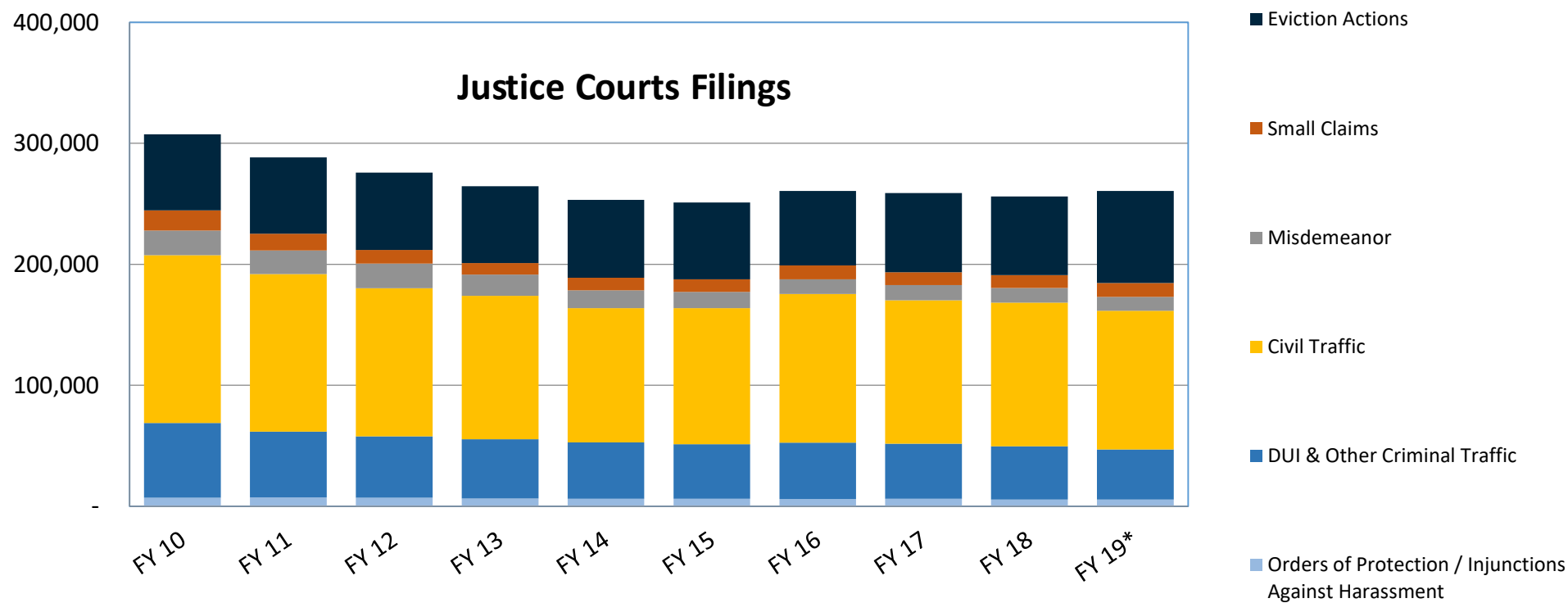
MARICOPA COUNTY

BUDGET FY2020



Justice Courts

- The General Fund operating budget is recommended at \$20.4M



MARICOPA COUNTY BUDGET FY 2020



Assessor

- The General Fund operating budget is recommended at \$25.8M and includes an increase for:
 - MARS Software Maintenance at \$307K
- Operating funding for:
 - Legal Class Verification (LCV) Program at \$191K



MARICOPA COUNTY

BUDGET FY 2020



Recorder

- The General Fund operating budget is recommended at \$5.5M and includes an increase for:
 - A Custodian of Public Records FTE, Constituent Correspondent FTE, and GIS Programmer FTE position totaling \$238K
- Carryforward funding of \$45K to continue a Data Indexing project
- Surcharge Fund operating budget is recommended at \$3.7M
- One-time funding for Surcharge Fund is recommended at \$667K and includes:
 - Servers at \$631K
 - Plotters at \$36K





Elections

- The General Fund operating budget is recommended at \$7.1M and includes an increase for:
 - Software maintenance for Sitebooks at \$241K
- Election Cycle funding recommended at \$6.1M
- Contingency set aside for new election equipment, operational and staffing costs



MARICOPA COUNTY

BUDGET FY 2020



Treasurer

- The General Fund operating budget is recommended at \$6.9M and includes increases for:
 - 6 full time positions at \$678K
 - Moving Printing & Postage to the operating budget at \$559K
 - Microsoft Premiere Support for \$158K



MARICOPA COUNTY BUDGET FY 2020



County School Superintendent

- The General Fund operating budget is recommended at \$2.8M
- Grant and special revenue budgets total \$18.4M



MARICOPA COUNTY

BUDGET FY 2020



Environmental Services

- The General Fund operating budget is recommended at \$9.5M and includes funding for 6 new vector control foggers
- The General Fund non-recurring budget is recommended at \$100K for OET Data Storage
- Grant and special revenue fund budgets total \$29M

MARICOPA COUNTY

BUDGET FY 2020



Planning and Development

- The General Fund operating budget is recommended at \$1.27M and includes increases for:
 - Updating outdated area plans of \$100K
- Special revenue fund budgets total \$12.3M

MARICOPA COUNTY

BUDGET FY 2020



Facilities Management

- The General Fund operating budget is recommended at \$37.5M and includes:
 - Funding for building maintenance for 225 W. Madison of \$1.3M
- General Fund Major Maintenance operating budget is recommended at \$7.9M
- Court Elevator Renovations budget is recommended at \$4.5M
- One-time funding for IT needs is budgeted at \$151K
- The Detention Fund operating budget is recommended at \$20.7M and includes:
 - Funding for building maintenance at the ITR of \$1.3M
- Detention Fund Major Maintenance is recommended at \$6.7M



Emergency Management

- The General Fund operating budget is recommended at \$3.2M, and includes increases for:
 - Security Specialists for 225 W. Madison of \$230K
- The Detention Fund operating budget remains at the baseline of \$49K
- Special revenue fund budgets total \$1.9M

MARICOPA COUNTY

BUDGET FY 2020



Transportation

- The General Fund operating budget is recommended at \$112K
- The Transportation Fund operating budget is recommended at \$85.4M
- The non recurring Transportation Fund budget is recommended at \$64.7M and includes
 - Funding for Technology and Major Maintenance of \$8.7M
 - Transfers to Capital of \$56.1M
- The Capital Improvement Project budget is recommended at \$113.4M
 - Five-Year Capital Plan is \$556.9M
 - Major projects include:
 - Maricopa County Highway 85 from 107th Avenue to 75th Avenue (three projects totaling \$15.7M)
 - Northern Parkway Program (eight projects totaling \$34.3M)

MARICOPA COUNTY

BUDGET FY 2020



County Manager's Office

- The General Fund operating budget is recommended at \$4.5M and includes increases in the following:
 - Communications: \$23K for Supplies and Services
 - Continuous Improvement: \$11K for Supplies and Services; \$308K for new positions
- \$250K in the General Fund non recurring budget to fund a County Identity Project Consultant
- \$457K in funding for Transcription and Translation Services was shifted to the County Attorney and Public Defense



Animal Care & Control

- The General Fund operating budget is recommended at \$911K and includes:
 - Increase funding for enforcement in unincorporated Maricopa County of \$152K
- The General Fund non-recurring budget is recommended at \$155K for vehicles for field operations
- The Shelter Fund operating budget is recommended at \$16.0M and includes:
 - Transfer from General Fund to cover revenue shortfall of \$1.5M
- The Shelter Fund non-recurring budget includes one-time revenue of \$638.5K from fund balance transfer from Fund 574

MARICOPA COUNTY

BUDGET FY2020



Human Services

- The General Fund operating budget is recommended at \$2.5M and includes increases for:
 - Homeless Coordination operating increase of \$152K
 - Transfer of funding for Long Term Care of \$201K
 - Funding for administration of the paratransit program of \$70K
- General Fund contingency of \$1.2M is set aside for the paratransit program
- The Human Services Grant Fund budgets total \$50.8M and include:
 - A transfer from General Fund for the shortfall of indirect revenue of \$645K

MARICOPA COUNTY

BUDGET FY 2020



Enterprise Technology

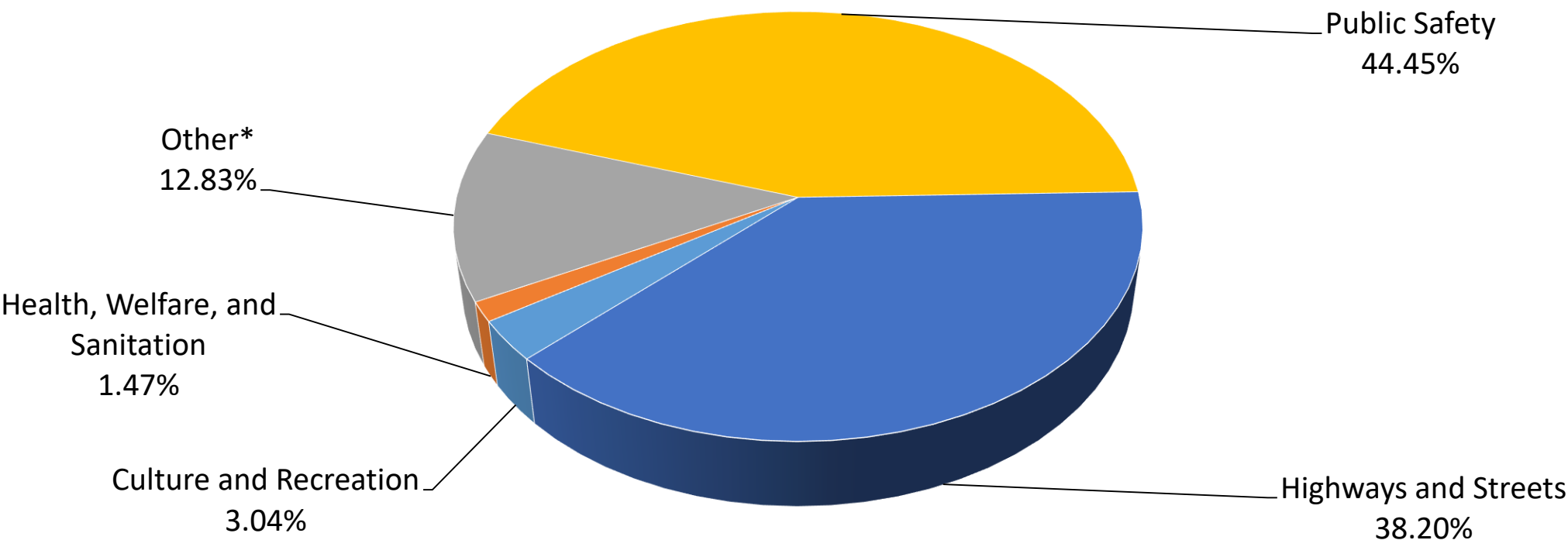
- The General Fund operating budget is recommended at \$33M and includes:
 - Data Center Leases for (\$1.3M)
 - VMW Enterprise License Agreement for \$1.6M
 - FireWall/SmartNet for \$456K
 - FireEye Maintenance Renewal for \$416K
 - Other software and service increases \$759K
- The Detention Fund operating budget is recommended at \$1.0M
- One-time funding is recommended for:
 - Desktop/Laptop Replacement: \$11.7M
 - Digital County Initiative: \$1.5M
 - Microsoft 365 Migration: \$1.1M

MARICOPA COUNTY

BUDGET FY 2020



FY 2020 Use of Capital Funds \$296,854,867



**Other = Assessor (CAMA), Treasurer (TTSU), Budget/Finance/Procurement (ERPS), Equipment Services (ESFM, ESFS, MCFS), and Enterprise Technology (TIR2), Facilities (ADBR)*

MARICOPA COUNTY

BUDGET FY 2020



Continuing Technology Capital Projects - \$46,151,128 in FY2020

<u>Project</u>	<u>FY 2020</u>	<u>Total</u>
– Computer Aided Mass Appraisal	\$4.0M	\$24.9M
– Enterprise Resource Planning System	\$458K	\$29.7M
– Infrastructure Refresh Phase II	\$6.1M	\$70.0M
– Jail Management Information System	\$4.7M	\$25.1M
– Public Safety Radio Refresh	\$7.9M	\$21.2M
– Radio System	\$14.0M	\$131.4M
– Treasurer Technology System Upgrade	\$6.4M	\$35.6M
– Treasurer System Upgrade Project Reserve	\$2.7M	\$10.5M

MARICOPA COUNTY

BUDGET FY 2020



Continuing Facilities Capital Projects - \$85,544,142 in FY 2020

<u>Project</u>	<u>FY 2020</u>	<u>Total Project</u>
– Adult Probation Southport	\$1.7M	\$3.5M
– Buckeye Hills Range Electric	\$780K	\$1.4M
– East Valley Animal Care and Control Facility	\$4.4M	\$23.7M
– Equipment Services - Fuel Stations Durango	\$4.1M	\$4.5M
– Equipment Services - Fuel Stations Mesa	\$98K	\$686K
– Intake Transfer Release Jail	\$31.9M	\$185M
– Madison Street Jail Adaptive Reuse	\$30.2M	\$103.7M
– Southeast Regional Justice Center at Mesa	\$4.0M	\$52.3M
– Superior Court - Grand Jury at West Courts	\$3.0M	\$3.4M
– Superior Court Central Building	\$5.3M	\$6.0M

MARICOPA COUNTY

BUDGET FY 2020



New Facilities Capital Projects - \$42,200,000 in FY 2020

<u>Project</u>	<u>FY 2020</u>	<u>Total</u>
– 301 - Administration Building Renovation	\$12.3M	\$71.2M
– Maricopa County Fuel Stations	\$1.5M	\$1.5M
– MCSO Substation at Avondale Campus	\$21.0M	\$21.0M
– Superior Court Central Building 12th Floor	\$7.4M	\$7.4M

MARICOPA COUNTY

BUDGET FY 2020



Park Capital Projects - \$9,020,396 in FY 2020

Carryforward Funding of \$4,563,453 for:

- Maricopa Regional Trail System
- Adobe Dam - Compound Pump Station
- Automatic Entry Gates
- Shaded Park Host Sites
- Ramada Renovations
- Hassayampa Park
- Lake Pleasant Boundary Fencing
- Boat Ramp Upgrades and Boathouse Construction
- Campsite Repairs and Renovations
- Water Storage Tank Upgrades
- Usery – Electrical and Lighting Upgrades
- Vulture Day Use Design/Campground Construction
- White Tank Renovations and Improvements
- San Tan Mountain Park Improvements

New Funding of \$4,456,944 for:

- Restroom Upgrades
- Trail Construction
- Maricopa Regional Trail System
- Automatic Entry Gates
- Shaded Park Host Sites
- Ramada Renovations
- Hassayampa - Visitor Center Renovations
- Campsite Repairs and Renovations
- Water Storage Tank Upgrades
- Usery – Electrical and Lighting Upgrades
- Vulture Mountain

MARICOPA COUNTY

BUDGET FY 2020



\$1.07 Billion of Unfunded Projects

- Admin Building Exterior
- Animal Care and Control Durango Kennels
- Central Court Building Renovation
- Central Courts Plaza Renovation
- Countywide Security Issues
- Courts Master Plan
- Emergency Operations Center
- Jails Master Plan
- MCSO – 1st Ave and Durango Demo
- MCSO - Buckeye Hills Relamping
- MCSO - Security Hardening
- MCSO - Security Surveillance
- MCSO - Substations
- MCSO - SWAT K9 Kennels
- Medical Examiner Space
- OET 5-Yr Equipment Refresh
- Parks Master Plan
- Recorder West Court
- Santa Fe/West Court/Elections



Retirement Issues

- The Public Safety Retirement System rate increased, while all other Public Safety plans decreased
 - Retirement contributions from the General and Detention funds are increasing \$1.3M
 - Rates are expected to increase to address funded status and outcome of litigation

Plan	FY 19 Employer Contribution	FY 20 Employer Contribution	6/30/18 Unfunded Liability	6/30/18 Funded Ratio
PSPRS	57.69%	61.74%	328,098,735	42.8%
CORP	26.59%	25.53%	229,093,239	54.4%
PORP*	32.98%	31.24%	351,076,726	54.9%
EORP*	61.50%	61.43%	621,430,897	31.3%

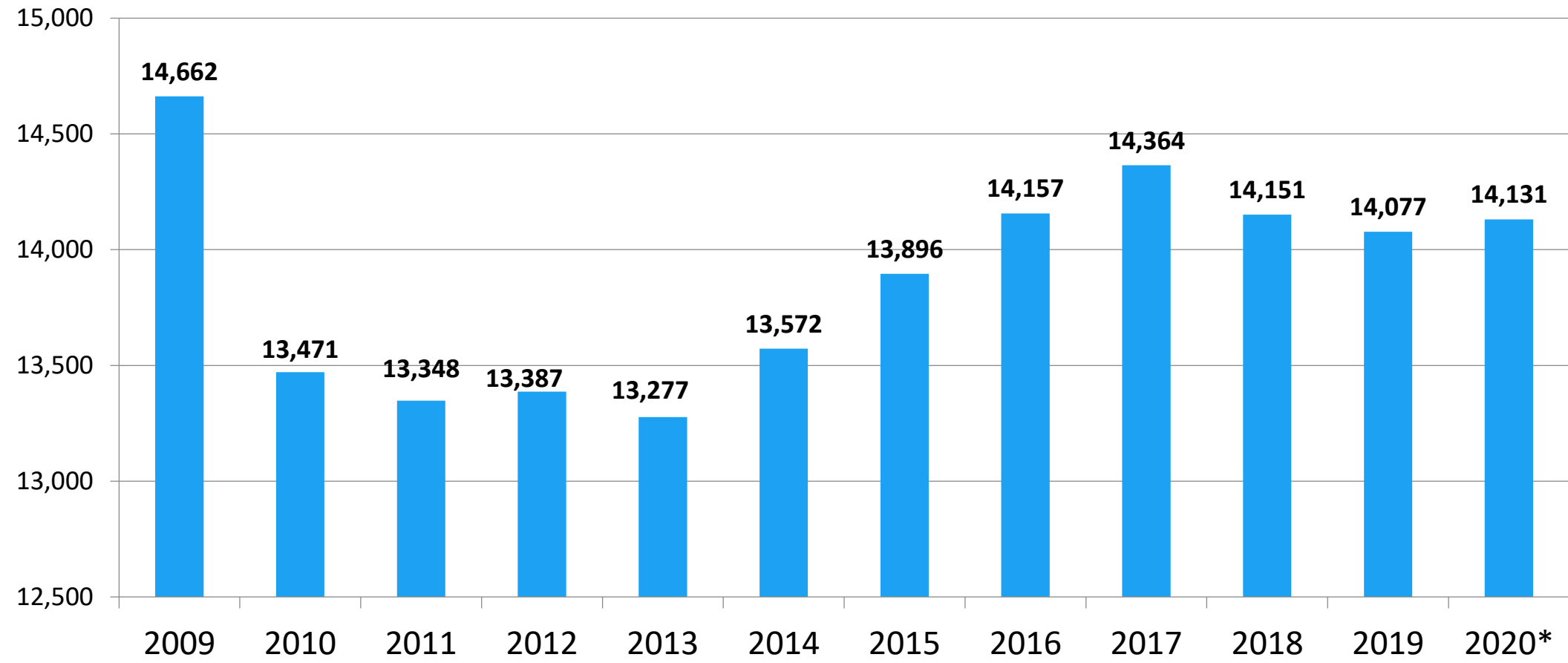
* State-wide plan

MARICOPA COUNTY

BUDGET FY 2020



Budgeted FTE's



* Recommended Budget

MARICOPA COUNTY

BUDGET FY 2020



FY 2020 Highlights

- ✓ Includes a flat tax rate
- ✓ Maintains structural balance
- ✓ Provides a sustainable operating budget
- ✓ Retains General Fund and Detention reserves at 2 months of operating expenses
- ✓ Funds all retirement rate increases
- ✓ Reserves funding necessary to support operations of a new court at Maryvale, the 225 W. Madison building and the Intake Transfer Release facility
- ✓ Reserves funding for new elections equipment
- ✓ Provides necessary funding for increased criminal justice demands
- ✓ Increases funding for the East Valley Animal Care facility and the Southeast Regional Justice Center project
- ✓ Adds funding for a new Avondale substation
- ✓ Continues funding for IT infrastructure
- ✓ Adds funding for Park enhancements
- ✓ Sets funding aside in the General and Detention funds for Pay-for-Performance and market adjustments



Budget Calendar – Remaining Dates

May 20	Tentative Budget Adoption
June 24	Final Budget Adoption
August 19	Property Tax Levy Adoption

MARICOPA COUNTY
BUDGET
FY 2020



05/20/2019



MARICOPA COUNTY
Flood Control District

BUDGET

FY 2020



05/20/2019





Flood Control District

Overall expenditures of \$123.2M

A flat tax rate results in a levy of \$70.9M

FY 2020 CIP of \$85.3M

Five-year CIP projected to be \$407.6M



MARICOPA COUNTY
Library District
BUDGET
FY 2020



05/20/2019



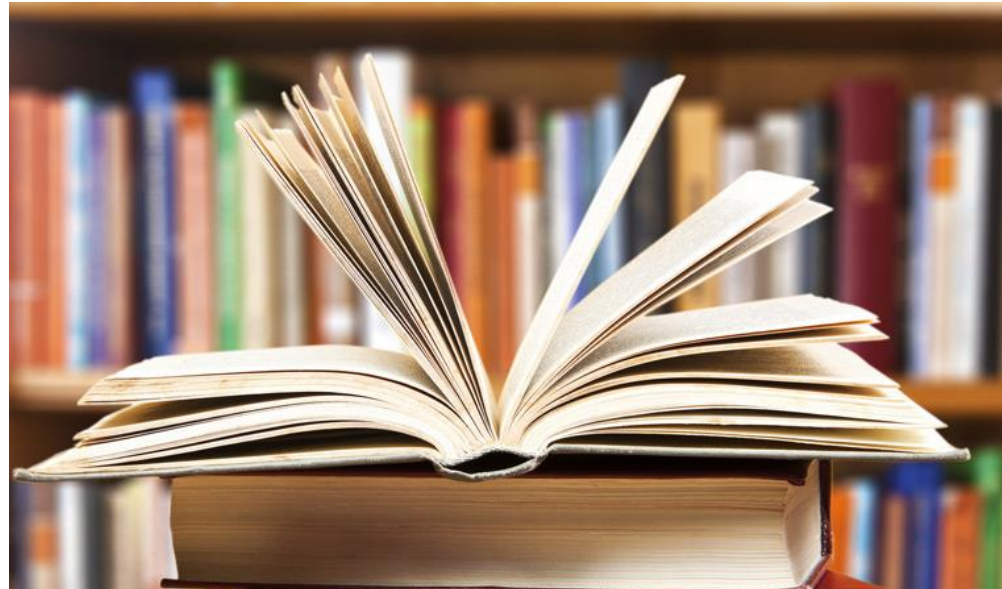
MARICOPA COUNTY BUDGET FY 2020



Library District

Overall expenditures of \$34.1M

A flat tax rate results in a levy of \$24.0M



MARICOPA COUNTY
Stadium District
BUDGET
FY 2020



05/20/2019





Stadium District

Overall expenditures of \$250,000

Debt retired at the end of FY 2019

MARICOPA COUNTY
BUDGET
FY 2020



05/20/2019

